



Health Services
LOS ANGELES COUNTY

Los Angeles County
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*To improve health
through leadership,
service and education.*



www.ladhs.org

June 12, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF A SOLE SOURCE AGREEMENT
WITH THE UNIVERSITY OF SOUTHERN CALIFORNIA
FOR PACEMAKER SURVEILLANCE SERVICES
AT LAC+USC MEDICAL CENTER
(1st District) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to sign a sole source Agreement with the University of Southern California (USC), substantially similar to Exhibit I, for the provision of pacemaker surveillance services at LAC+USC Medical Center, effective July 1, 2007 through June 30, 2013, with an estimated annual cost of \$42,000, and \$252,000 for the term of the agreement.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

In approving the recommended action, the Board is authorizing the Director of Health Services, or his designee, to sign a sole source Agreement with USC for pacemaker surveillance services at LAC+USC Medical Center (LAC+USC), effective July 1, 2007 through June 30, 2013.

Prior to the expiration of the Agreement on March 31, 2007, USC was requested to enter into a successor Agreement at the current rate of \$50 per case. USC was not willing to enter into a new Agreement without a rate increase to \$75 per case. The Department of Health Services (Department) believes the rate increase is reasonable since there has been no increase in the rate since 1989. The new rate will become effective July 1, 2007 and will remain the same during the six-year Agreement term.

FISCAL IMPACT/FINANCING:

The annual estimated cost is \$42,000 and \$252,000 for the Agreement's term. Approximately 45 patient visits at \$75 per visit will be provided each month. Funding is included in the Department's Fiscal Year 2007-08 Proposed Budget, and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Since 1981, LAC+USC has contracted with USC for pacemaker surveillance services. On June 25, 1995, the Board approved an Agreement with USC for these services effective July 1, 1995 through June 30, 1997.

On subsequent occasions, the Board approved Amendments to extend the Agreement through June 30, 2006. On May 16, 2006, the Board approved Amendment No. 9 which extended the Agreement effective July 1, 2006 through March 31, 2007 with a maximum obligation of \$81,000.

The Department indicated that a Letter of Interest (LOI) solicitation would be released in May 2006 to determine whether other vendors may exist to provide both in-hospital and telephonic pacemaker surveillance for LAC+USC patients. The LOI was released in May 2006.

Subsequently, LAC+USC determined their patient needs will be better served by continuing the long-standing relationship between the USC doctors who perform both the pacemaker implantation and the subsequent pacemaker surveillance monitoring. On January 2, 2007, a letter was sent to the prospective vendors canceling the LOI solicitation.

From 1981 through 1988, the rate per case for pacemaker surveillance was \$48. In 1989, the rate increased to \$50, and there has not been any rate increase since that time. Changes in technology, coupled with inflation and increases in support costs (e.g., staffing and space) over the last 18 years, caused USC to request an increase from \$50 to \$75 per case effective July 1, 2007. USC indicates they are not able to continue providing services without the requested increase.

Effective April 1, 2007, LAC+USC has used a purchase order to receive services from USC for pacemaker surveillance.

Attachment A provides additional information.

County Counsel has reviewed and approved Exhibit I as to form.

CONTRACTING PROCESS:

DHS released an LOI solicitation in May 2006, however, LAC+USC has determined that the patient needs will be better served by continuing the long-standing relationship between the USC doctors who perform both the pacemaker implantation and the subsequent pacemaker surveillance monitoring.

The Agreement is for intermittent, as needed services of a professional nature and therefore not required to meet Proposition A requirements. The County does not have the personnel, technical expertise or the specialized equipment to perform pacemaker surveillance. A sole source letter is on file with the Department.

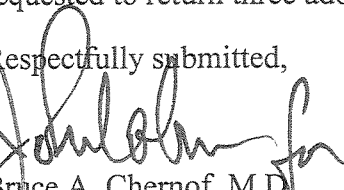
IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of this action will provide pacemaker surveillance services at LAC+USC.

The Honorable Board of Supervisors
June 12, 2007
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Upon approval by the Board of Supervisors, the Executive Officer, Board of Supervisors is requested to return three adopted copies of this letter to DHS.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:rf
LAC USC PACEMAKER SURVEILLANCE.RF.wpd

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT

1. TYPE OF SERVICE:

Pacemaker surveillance services.

2. AGENCY NAME AND CONTACT PERSON:

University of Southern California
School of Medicine
Parkview Medical Building
1355 San Pablo Street, Room 173
Los Angeles, CA 90033
Attention: Edward D. Crandall, Ph.D., M.D.
Telephone: (323) 226-7591

3. TERM OF AGREEMENT:

July 1, 2007 through June 30, 2013.

4. FINANCIAL INFORMATION:

The annual estimated cost is \$42,000 and \$252,000 for the Agreement's term. Approximately 45 patient visits at \$75 per visit will be provided each month. Funding is included in the Department's Fiscal Year 2007-08 Proposed Budget, and will be requested in future fiscal years.

5. GEOGRAPHIC AREA SERVED:

First District

6. ACCOUNTABLE FOR MONITORING AND EVALUATION:

The administrators and medical directors at LAC+USC will monitor the contractor's performance.

7. APPROVALS:

Chief Deputy Director: John R. Cochran III

LAC+USC: Pete Delgado, Chief Executive Officer

Contracts and Grants: Cara O'Neill, Chief

County Counsel: Sharon A. Reichman, Principal Deputy

EXHIBIT I

Contract No. H-210559-3

HYPERBARIC CHAMBER SERVICES AGREEMENT

AMENDMENT NO. 3

THIS AMENDMENT is made and entered into this _____ day
of _____, 2007,

by and between COUNTY OF LOS ANGELES (hereafter
"County"),

and UNIVERSITY OF SOUTHERN CALIFORNIA,
a corporation
hereafter "Contractor").

WHEREAS, reference is made to that certain document
entitled "HYPERBARIC CHAMBER SERVICES AGREEMENT", dated June 15,
1999, and further identified as County Agreement H-210559, and
any amendments to this Agreement (all hereafter referred to as
"Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement
to extend its term to develop a replacement Agreement and to
make the changes described hereinafter; and

WHEREAS, said Agreement provides that changes may be made
in the form of a written amendment which if formally approved
and executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective July 1, 2007.

2. The term of this Agreement is hereby extended from July 1, 2007 on a month-to-month basis not to exceed six (6) months. All other terms and conditions remain the same.

3. Except for the changes set forth herein above, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this
Amendment to be subscribed in its behalf by it duly authorized
officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical
Officer

UNIVERSITY OF SOUTHERN
CALIFORNIA, a corporation
Contractor

By _____

Name _____

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants

RF:r
Board letter hyperbaric amendment no 3 agreement 04.27.07